

2020 HOTMA 20% and CARES Act Flexibility

In 2020, the HOTMA Capital Fund to Operating Fund 20% provision was superseded by the CARES Act. CARES Act provides full flexibility to use supplemental funding and previously appropriated Capital and Operating funds for any eligible public housing purpose included in Sections 9(d) and 9(e) of the U.S. Housing Act of 1937. Given this, the greater flexibility provided under the CARES Act as explained in Notice PIH-2020-7, "Implementation of Supplemental Guidance to the Federal Fiscal Year 2020 Operating Fund Appropriations" exceeded the limits related to the HOTMA 20%. Therefore, HUD has determined not to post the 20% amount allowed for transfer by HOTMA.